

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	Chapter 11
	:	
NORTHWESTERN CORPORATION,	:	Case No. 03-12872 (JLP)
	:	
Reorganized Debtor.	:	
	:	
	:	

**PAUL, HASTINGS, JANOFSKY & WALKER LLP'S DESIGNATION OF
ADDITIONAL DOCUMENTS FOR THE RECORD AND OBJECTION TO
STATEMENT OF ISSUES ON APPEAL**

Paul, Hastings, Janofsky & Walker LLP (“Paul Hastings”), by and through its undersigned counsel and pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, hereby files this Designation of Additional Documents for the Record and Objection to Statement of Issues on Appeal in connection with Magten Asset Management Corporation’s (“Magten”) appeal from the Order with Respect to Final Fee Application of Paul, Hastings, Janofsky & Walker LLP (the “Order”), which was entered by United States Bankruptcy Judge John L. Peterson on May 9, 2005 [Docket No. 3055].

Designation of Documents for the Record

	Bankruptcy Case Docket No.	Description
1.	40	Application to Employ Paul, Hastings, Janofsky & Walker LLP as Counsel to the Debtor
2.	198	Order Authorizing the Employment of Paul, Hastings, Janofsky & Walker LLP as Attorneys for the Debtor
3.	202	Order Establishing Procedures for Payment of Interim Compensation and Reimbursement of Expenses to Professionals
4.	426	First Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>

	Bankruptcy Case Docket No.	Description
5.	582	Supplemental Affidavit of Jesse H. Austin III In Connection with Paul, Hastings, Janofsky & Walker LLP's Employment as Attorneys for Debtor and Debtor-In-Possession
6.	583	Second Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
7.	687	First Quarterly Fee Application of Services Rendered and Reimbursement of Expenses as Bankruptcy and Reorganization Counsel to the Debtor and Debtor in Possession for Period September 14, 2003 through November 30, 2003 Filed by NorthWestern Corporation
8.	699	Amended Order Establishing Procedures for Payment of Interim Compensation and Reimbursement of Expenses to Professionals
9.	727	Third Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
10.	838	Order (OMNIBUS) Approving First Quarterly Interim Fee Application of Professionals
11.	867	Fourth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
12.	925	Order Appointing Fee Auditor and Establishing Related Procedures Concerning the Allowance and Payment of Compensation and Reimbursement of Expenses of Professionals and Members of Official Committees and Consideration of Fee Applications
13.	995	Fifth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
14.	1003	Amended Fourth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses
15.	1077	Transcript of Hearing on February 17, 2004
16.	1154	Second Quarterly Fee Application Request of Paul, Hastings, Janofsky & Walker, LLP for Services Rendered and Reimbursement of Expenses as Bankruptcy and Reorganization Counsel to the Debtor and Debtor in Possession for the Period December 1, 2003 through February 29, 2004

	Bankruptcy Case Docket No.	Description
17.	1156	Sixth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
18.	1272	Statement Pursuant to Section 328(c) Regarding Paul Hastings Janofsky & Walker LLP. Filed by Magten Asset Management Corp.
19.	1395	Response to Statement Pursuant to 11 U.S.C. sec. 328(c) filed by Magten Asset Management Corporation Filed by Paul, Hastings, Janofsky & Walker, LLP
20.	1488	Second Supplemental Affidavit of Jesse H. Austin, III in Connection with Paul Hastings Janofsky & Walker LLP's Employment as Attorneys for Debtor and Debtor in Possession
21.	1547	Seventh Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
22.	1625	Affidavit of Jesse H. Austin, III in Connection with Paul, Hastings, Janofsky & Walker LLP's Employment as Attorneys for Debtor and Debtor-in-Possession
23.	1626	Eighth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
24.	1634	Amended Seventh Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses
25.	1653	Transcript of Hearing held on June 21, 2004 before the Honorable Charles G. Case, II
26.	1751	Memorandum Decision dated July 23, 2004
27.	1783	Ninth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
28.	1792	Fee Auditor's Final Report Regarding Fee Application Of Paul, Hastings, Janofsky & Walker LLP For The First Interim Period Filed by Warren H. Smith & Associates, P.C.

	Bankruptcy Case Docket No.	Description
29.	1841	Third Quarterly Fee Application Request Of Paul, Hastings, Janofsky & Walker LLP For Services Rendered And Reimbursement Of Expenses As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For The Period March 1, 2004 Through May 31, 2004
30.	1858	Fee Auditor's Amended Final Report Regarding Fee Application Of Paul, Hastings, Janofsky & Walker LLP For The First Interim Period Filed by Warren H. Smith & Associates,
31.	1942	Order dated August 19, 2004
32.	2115	Tenth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
33.	2212	Fee Auditors Final Report Regarding Fee Application Of Paul, Hastings, Janofsky & Walker LLP For The Second Interim Period Filed by Warren H. Smith & Associates, P.C.
34.	2225	Eleventh Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
35.	2231	Fourth Quarterly Fee Application Request of Paul, Hastings, Janofsky & Walker, LLP for Services Rendered and Reimbursement of Expenses as Bankruptcy and Reorganization Counsel to the Debtor and Debtor in Possession for the Period June 1, 2004 through August 31, 2004
36.	2261	Twelfth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
37.	2426	Thirteenth Monthly Interim Application Of Paul Hastings Janofsky & Walker LLP As Bankruptcy And Reorganization Counsel To The Debtor And Debtor-In-Possession For Compensation And Reimbursement Of Expenses <i>with all exhibits attached thereto</i>
38.	2432	Fifth Quarterly and Final Fee Application of Paul, Hastings, Janofsky & Walker LLP
39.	2462	Order (OMNIBUS) Approving Second Quarterly Interim Fee Applications of Professionals
40.	2490	Transcript of Hearing held on December 6, 2004 before the Honorable John L. Peterson

	Bankruptcy Case Docket No.	Description
41.	2635	Fee Auditor's Final Report Regarding Final Fee Application Of Paul, Hastings, Janofsky & Walker LLP For Allowance And Payment Of Compensation And Reimbursement Of Expenses For The Period From September 14, 2003, Through November 1, 2004 Filed by Warren H. Smith & Associates, P.C.
42.	3055	Order With Respect To Final Fee Application of Paul, Hastings, Janofsky & Walker LLP
43.	3063	Transcript of Hearing held on May 3, 2005 before the Honorable John L. Peterson

Objection to Statement of Issues on Appeal

1. Magten's first statement of issues to be presented is as follows:

Whether the Bankruptcy Court abused its discretion and/or erred in approving Paul Hastings Janofsky & Walker LLP's Final Fee Application before the disqualification appeal is decided.

Paul Hastings' Response: Paul Hastings has no objection to the first statement of issues to be presented on appeal as set forth by Magten.

2. Magten's second statement of issues to be presented is as follows:

Whether the Bankruptcy Court abused its discretion and/or erred in holding that Paul Hastings Janofsky & Walker LLP should be compensated for matter (1) which it represented to the Court it had withdrawn as counsel and (2) when a substantial portion of the fees and expenses incurred were not necessary and did not benefit the Debtor's estate.

Paul Hastings' Response: Paul Hastings hereby objects to the statement of issues on the ground that it mischaracterizes Paul Hastings' statements, as set forth in its pleadings and on the record at the May 3, 2005 hearing:

This is what Magten specifically misreads because in our affidavits and in the top documents we submitted, Your Honor, the Magten

adversary proceeding was a specifically defined piece of litigation. It was Adversary Proceeding No. 04-53324 – CGC and is what is general referred to as a going-flat transaction. At no point - - and Magten was clearly aware of this - - at no point did Paul Hastings ever say that it was stepping down as general and lead bankruptcy counsel for NorthWestern. Magten was well aware of this and raised no objections to Paul Hastings continuing to provide services and incur expenses as lead bankruptcy counsel would.

Transcript of May 3, 2005 Hearing Before the Honorable John L. Peterson, United States Bankruptcy Court for the District of Delaware, p. 80.

[signature on next page]

Dated: Wilmington, Delaware
June 6, 2005

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, David L. Finger, hereby certify that on this 6th day of June, 2005, I caused a copy of the foregoing document to be served via first-class mail, postage prepaid, on the below-listed counsel of record, except to the extent that service was effectuated via CM/ECF:

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